

IOWA CENTRAL COMMUNITY COLLEGE

**INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND
QUESTIONED COSTS**

June 30, 2016

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IOWA CENTRAL COMMUNITY COLLEGE

OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Directors		
Mark Crimmins	President	2017
Larry Hecht	Vice President	2017
Thomas Chelesvig	Member	2019
Darrell Determann	Member	2019
Deborah Loerch	Member	2019
Douglas McDermott	Member	2019
Bennett O'Connor	Member	2017
Connie Smith	Member	2019
Terry Wessels	Member	2017

Community College

Dr. Daniel Kinney	President
Thomas Beneke	Vice President
James Kersten	Vice President
Laurie Hendricks	Vice President
Angie Martin	Vice President
Dr. Dreand Johnson	Vice President
Karen Lombard	Board Secretary/Treasurer

IOWA CENTRAL COMMUNITY COLLEGE



SCHNURR & COMPANY, LLP
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Iowa Central Community College
Fort Dodge, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of Iowa Central Community College, Fort Dodge, Iowa, and its discretely presented component unit as of and for the year ended June 30, 2016, and the related Notes to Financial Statements, which collectively comprise the College's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the component unit were not audited in accordance with Government Auditing Standards.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the College's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of Iowa Central Community College and its discretely presented component unit as of June 30, 2016, and the respective changes in financial position and, where applicable, its cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Schedule of the College's Proportionate Share of the Net Pension Liability, the Schedule of College Contributions and the Schedule of Funding Progress for the Retiree Health Plan on pages 5 through 12 and 38 through 41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Iowa Central Community College's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2015 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 11, including the Schedule of Expenditures of Federal Awards required by Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of Iowa Central Community College's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, based on our audit and the procedures performed as described above, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 4, 2016 on our consideration of Iowa Central Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Iowa Central Community College's internal control over financial reporting and compliance.

Schnum & Company, LLP

Fort Dodge, Iowa
December 4, 2016

IOWA CENTRAL COMMUNITY COLLEGE

IOWA CENTRAL COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

Iowa Central Community College provides this Management's Discussion and Analysis of its annual financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2016. We encourage readers to consider this information in conjunction with the College's financial statements, which follow.

2016 FINANCIAL HIGHLIGHTS

- Operating revenues decreased in FY16. Federal appropriations decreased as well as Iowa Industrial New Jobs Training Program revenue. Sales and Services revenue also decreased. Tuition revenue did increase due to the increase in the tuition rate per credit hour. Auxiliary enterprises revenues increased due to the increase in the College housing rate and the increase in revenue due to the College operation of the Fuel Lab.
- Operating expenses decreased in FY16. The primary reason for the decrease was a reduction in expenses related to cooperative services, general institution, administration, Liberal Arts and Sciences, learning resources, physical plant, scholarships and grants, and administrative and collection costs.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the College's financial activities.

The Basic Financial Statements consist of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and a Statement of Cash Flows. These provide information about the activities of the College as a whole and present an overall view of the College's finances.

Notes to the Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information presents the College's proportionate share of the net pension liability and related contributions, as well as presenting the Schedule of Funding Progress for the Retiree Health Plan.

Supplementary Information provides detailed information about the individual funds. The Budgetary Comparison Schedule of Expenditures – Budget to Actual further explains and supports the financial statements with a comparison of the College's budget for the year. The Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the College.

MANAGEMENT'S DISCUSSION AND ANALYSIS

REPORTING THE COLLEGE'S FINANCIAL ACTIVITIES

The Statement of Net Position

The Statement of Net Position presents financial information on all of the College's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. The Statement of Net Position is a point-in-time financial statement. The purpose of this statement is to present a fiscal snapshot of the College to the readers of the financial statements. The Statement of Net Position includes year-end information concerning current and non-current assets, deferred outflows of resources, current and non-current liabilities, deferred inflows of resources and net position. Over time, readers of the financial statements will be able to determine the College's financial position by analyzing the increases and decreases in net position. This statement is also a good source for readers to determine how much the College owes to outside vendors and creditors. The statement also presents the available assets that can be used to satisfy those liabilities.

	Net Position	
	June 30,	
	2016	2015
Current and other assets	\$ 39,825,646	\$ 34,947,546
Capital assets, net of accumulated depreciation	68,764,248	69,001,881
Total assets	108,589,894	103,949,427
Deferred outflows of resources	1,394,001	1,372,076
Current liabilities	10,089,978	10,719,722
Noncurrent liabilities	45,180,140	45,030,112
Total liabilities	55,270,118	55,749,834
Deferred inflows of resources	9,726,821	9,085,738
Net position:		
Net investment in capital assets	35,894,248	35,851,881
Restricted	2,475,617	3,642,216
Unrestricted	6,617,091	991,834
Total net position	\$ 44,986,956	\$ 40,485,931

MANAGEMENT'S DISCUSSION AND ANALYSIS

REPORTING THE COLLEGE'S FINANCIAL ACTIVITIES (CONTINUED)

Comparison of Net Position

The largest portion of the College's net position (80%) is invested in capital assets (e.g., land, buildings, intangibles and equipment), less the related debt. The debt related to the capital assets is liquidated with resources other than capital assets. The restricted portion of the net position (5%) includes resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The remaining net position (15%) is the unrestricted net position, which can be used to meet the College's obligations as they come due.

Statement of Revenues, Expenses and Changes in Net Position

Changes in total net position as presented in the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. The purpose of the statement is to present the revenues earned by the College, both operating and non-operating, and the expenses incurred by the College, both operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the College.

MANAGEMENT'S DISCUSSION AND ANALYSIS

REPORTING THE COLLEGE'S FINANCIAL ACTIVITIES (CONTINUED)

Comparison of Net Position (Continued)

Statement of Revenues, Expenses and Changes in Net Position (Continued)

In general, a public college, such as Iowa Central Community College, will report an operating loss since the financial reporting model classifies state appropriations and property tax as non-operating revenues. Operating revenues are received for providing goods and services to the students, customers and constituents of the College. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues and to carry out the mission of the College. Non-operating revenues are revenues received for which goods and services are not provided. The utilization of capital assets is reflected in the financial statements as depreciation/amortization, which allocates the cost of an asset over its expected useful life.

	Changes in Net Position	
	Year ended June 30,	
	2016	2015
Operating revenue:		
Tuition and fees	\$ 16,166,091	\$ 16,070,772
Federal appropriations	1,988,456	2,116,039
Iowa Industrial New Jobs Training Program	253,817	386,073
Auxiliary	15,011,012	14,938,171
Sales and services	1,014,103	1,151,949
Miscellaneous	358,019	937,896
Total operating revenue	34,791,498	35,600,900
Total operating expenses	61,287,054	63,358,650
Operating (loss)	(26,495,556)	(27,757,750)
Non-operating revenues (expenses):		
State appropriations	15,751,285	15,790,624
Pell grant	9,703,522	11,345,557
Property tax	6,193,931	6,518,778
Interest income on investments	123,563	84,453
Loss on disposal of capital assets	(498)	(795,953)
Interest on indebtedness	(775,222)	(1,150,076)
Net non-operating revenues	30,996,581	31,793,383
Change in net position	4,501,025	4,035,633
Net position beginning of year	40,485,931	36,450,298
Net position end of year	\$ 44,986,956	\$ 40,485,931

The Statement of Revenues, Expenses and Changes in Net Position reflects an increase in the net position at the end of the fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

REPORTING THE COLLEGE'S FINANCIAL ACTIVITIES (CONTINUED)

Comparison of Net Position (Continued)

Statement of Revenues, Expenses and Changes in Net Position (Continued)

In fiscal year 2016, operating revenues decreased as a result of the following:

- Decrease in federal grants.
- Decrease in sales and services revenue.
- Decrease in Iowa Industrial New Jobs Training Program income.

	Operating Expenses	
	Year ended June 30, 2016	2015
Education and support:		
Liberal arts and sciences	\$ 8,379,151	\$ 8,929,990
Vocational technical	7,973,694	7,349,716
Adult education	3,373,901	3,078,210
Cooperative services	407,261	531,862
Administration	1,693,714	1,874,646
Student services	4,824,257	4,224,682
Learning resources	121,180	446,360
Physical plant	4,917,696	5,258,211
General institution	7,353,768	8,382,692
Auxiliary enterprises	15,286,974	14,970,242
Scholarships and grants	2,901,239	3,921,872
Administrative and collection costs	1,164,457	1,731,055
Depreciation	2,889,762	2,659,112
Total	\$ 61,287,054	\$ 63,358,650

MANAGEMENT'S DISCUSSION AND ANALYSIS

REPORTING THE COLLEGE'S FINANCIAL ACTIVITIES (CONTINUED)

Total Expenses

In fiscal year 2016, operating expenses decreased as a result of the following:

- Reduction in federal grant funds.
- Decrease in scholarships and grants disbursed.
- General decrease in expenses for services, and materials and supplies.
- Decrease in medical and dental payments in the College self-funded employee health plan.

Statement of Cash Flows

The Statement of Cash Flows is an important tool in helping users assess the College's ability to generate future net cash flows, its ability to meet its obligations as they come due, and its need for external financing. The Statement of Cash Flows presents information related to cash inflows and outflows, summarized by operating, non-capital financing, capital and related financing and investing activities.

Cash Flows

	Year ended June 30,	
	2016	2015
Cash provided by (used in):		
Operating activities	\$ (25,109,506)	\$ (24,843,977)
Non-capital financing activities	31,224,016	32,291,644
Capital and related financing activities	(3,653,644)	(5,732,165)
Investing activities	123,563	84,453
Net increase in cash	2,584,429	1,799,955
Cash beginning of year	22,270,061	20,470,106
Cash end of year	\$ 24,854,490	\$ 22,270,061

Cash used by operating activities includes tuition, fees, operating grants and contracts, net of payments to employees and to suppliers. Cash provided by non-capital financing activities includes state appropriations, Pell grant and local property tax received by the College and the receipt and disbursement of federal direct loan program proceeds. Cash used by capital and related financing activities represents the proceeds from debt, the principal and interest payments on debt and the purchase of capital assets. Cash provided by investing activities includes investment income received.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2016, the College had approximately \$68.8 million invested in capital assets, net of accumulated depreciation of approximately \$31.2 million. Depreciation charges totaled \$2,889,762 for FY16. Details of the capital assets are shown below.

Capital Assets, Net, at Year-End

	June 30,	
	2016	2015
Land	\$ 2,342,870	\$ 2,342,870
Buildings	58,654,100	60,793,643
Construction in progress	1,337,876	314,830
Improvements other than buildings	3,162,142	2,661,910
Equipment and vehicles	3,267,260	2,888,628
	<u>\$ 68,764,248</u>	<u>\$ 69,001,881</u>

Major capital expenditures for the fiscal year ending June 30, 2016 included completion of the Bookstore addition.

Planned capital expenditures for the fiscal year ending June 30, 2017 and beyond include Transportation Housing, Parking Lot, Crimmins Building remodeling, East Campus Elevator, and an additional Student Residence Apartment.

More detailed information about the College's capital assets is presented in Note 4 to the financial statements.

Debt

At June 30, 2016, the College had approximately \$36.6 million in debt outstanding, a decrease of \$755,000 from fiscal year 2015. The table below summarizes these amounts by type.

Outstanding Debt

	June 30,	
	2016	2015
Certificates payable	\$ 3,740,000	\$ 4,215,000
Capital loan note payable	5,985,000	6,635,000
Bonds payable	26,885,000	26,515,000
	<u>\$ 36,610,000</u>	<u>\$ 37,365,000</u>

More detailed information about the College's outstanding debt is presented in Note 5 to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

ECONOMIC FACTORS

Iowa Central Community College continued to improve its financial position during the current fiscal year. Maintaining the current good condition of the economy in the state and maintaining student enrollment are a concern for College officials. Some of the realities that may potentially become challenges for the College to meet are:

- State general aid increased slightly from 2015-2016 to 2016-2017. In 2015-2016 state general aid represented 31% of the general fund revenue. Changes in and adequate funding of state general aid are a concern in meeting and maintaining the education needs of our students.
- We anticipate expenses will increase due to salary and benefit increases, increases in costs of professional services and costs of materials and supplies.
- The College will continue to look at ways to expand distance learning opportunities in FY17 and beyond and is involved with school districts in the operation of Charter Schools. The College works in joint partnership with Knowlura, formerly named Barker Educational Services Team (BEST), to offer students a variety of programs via the 8-Week Online Program through the Distance Learning Office.
- The start-up of new programs is expensive. New programs started in FY16 were Heating, Ventilation, Air Conditioning and Refrigeration Maintenance Technology/Technician, Early Childhood Education, Physical Therapy Assistant, and Recreational Facilities Management. We continue to look at adding programs.
- Aging facilities at the College require constant maintenance and upkeep. The increase in number of buildings creates increased utility costs, maintenance and upkeep expenses.
- Technology continues to expand and current technology becomes outdated, presenting an ongoing challenge to maintain up-to-date technology at a reasonable cost.
- Property tax revenue to support the College operating fund for 2016-2017 is anticipated to increase 1.3%.

The College anticipates the current fiscal year will be much like the last and will monitor resources to maintain the College's ability to react to unknown issues.

CONTACTING THE COLLEGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our customers, taxpayers in the community college district and our creditors with a general overview of the College's finances and to demonstrate the College's accountability for the resources it receives. If you have questions about the report or need additional financial information, contact Iowa Central Community College, One Triton Circle, Fort Dodge, IA 50501.

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
June 30, 2016

	Primary Government	Component Unit
Assets		
Current assets:		
Cash	\$ 24,854,490	\$ 283,942
Receivables:		
Accounts	1,631,562	-
Capital campaign	-	235,512
Property tax:		
Succeeding year	8,670,517	-
Due from other governments	1,272,012	-
Inventories	816,775	-
Prepaid expenses	491,598	-
Total current assets	<u>37,736,954</u>	<u>519,454</u>
Noncurrent assets:		
Receivables:		
Iowa Industrial New Jobs Training Program	2,088,692	-
Capital campaign, net of allowance of \$118,751	-	370,936
Investments	-	5,521,957
Capital assets, net of accumulated depreciation	68,764,248	2,437,560
Total noncurrent assets	<u>70,852,940</u>	<u>8,330,453</u>
Total assets	<u>108,589,894</u>	<u>8,849,907</u>
Deferred Outflows of Resources		
Pension related deferred outflows	<u>1,394,001</u>	<u>-</u>

(Continued on next page)

IOWA CENTRAL COMMUNITY COLLEGE

**Exhibit A
(Continued)**

**STATEMENT OF NET POSITION
June 30, 2016**

	Primary Government	Component Unit
Liabilities		
Current liabilities:		
Accounts payable	\$ 871,646	\$ 1,226
Salaries and benefits payable	1,009,187	-
Interest payable	34,941	-
Advances from grantors	3,434,111	-
Compensated absences	538,040	-
Deposits held in custody for others	502,053	-
Certificates payable	470,000	-
Capital loan note payable	665,000	-
Bonds payable	2,565,000	-
Total current liabilities	<u>10,089,978</u>	<u>1,226</u>
Noncurrent liabilities:		
Certificates payable	3,270,000	-
Capital loan note payable	5,320,000	-
Bonds payable	24,320,000	-
Net pension liability	8,099,376	-
Net OPEB liability	4,170,764	-
Total noncurrent liabilities	<u>45,180,140</u>	<u>-</u>
Total liabilities	<u>55,270,118</u>	<u>1,226</u>
Deferred Inflows of Resources		
Unavailable property tax revenue	8,670,517	-
Pension related deferred inflows	1,056,304	-
	<u>9,726,821</u>	<u>-</u>
Net position		
Net investment in capital assets	35,894,248	2,437,560
Restricted:		
Nonexpendable:		
Scholarships and fellowships	-	5,388,725
Expendable:		
Capital campaign	-	606,448
Scholarships and fellowships	36,226	-
Loans	562	-
Cash reserve	319,603	-
Other	2,119,226	213,805
Unrestricted	<u>6,617,091</u>	<u>202,143</u>
Total net position	<u>\$ 44,986,956</u>	<u>\$ 8,848,681</u>

See Notes to Financial Statements.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended June 30, 2016

	Primary Government	Component Unit
Operating revenues:		
Tuition and fees, net of scholarship allowances of \$6,249,062	\$ 16,166,091	\$ -
Federal appropriations	1,988,456	-
Iowa Industrial New Jobs Training Program	253,817	-
Auxiliary enterprises, net of scholarship allowances of \$2,288,447	15,011,012	-
Sales and services	1,014,103	-
Farm income	-	161,892
Miscellaneous	358,019	-
Contributions and pledges	-	1,724,233
Total operating revenues	34,791,498	1,886,125
Operating expenses:		
Education and support:		
Liberal arts and sciences	8,379,151	-
Vocational technical	7,973,694	-
Adult education	3,373,901	-
Cooperative services	407,261	-
Administration	1,693,714	-
Student services	4,824,257	-
Learning resources	121,180	-
Physical plant	4,917,696	-
General institution	7,353,768	-
Auxiliary enterprises	15,286,974	-
Scholarships and grants	2,901,239	320,339
Administrative and collection costs	1,164,457	-
Depreciation	2,889,762	11,740
Farm expenses	-	148,177
Management and general expenses	-	229,438
Total operating expenses	61,287,054	709,694
Operating income (loss)	(26,495,556)	1,176,431

(Continued on next page)

IOWA CENTRAL COMMUNITY COLLEGE**Exhibit B
(Continued)****STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended June 30, 2016**

	Primary Government	Component Unit
Non-operating revenues (expenses):		
State appropriations	\$ 15,751,285	\$ -
Pell grant	9,703,522	-
Property tax	6,193,931	73,555
Interest and dividend income from investments	123,563	-
Interest on indebtedness	(775,222)	-
(Loss) on investments	-	(173,131)
(Loss) on sale of capital assets	(498)	-
Net non-operating revenues (expenses)	30,996,581	(99,576)
Change in net position	4,501,025	1,076,855
Net position beginning of year	40,485,931	7,771,826
Net position end of year	<u>\$ 44,986,956</u>	<u>\$ 8,848,681</u>

See Notes to Financial Statements.

STATEMENT OF CASH FLOWS
Year Ended June 30, 2016

Cash flows from operating activities:	
Tuition and fees	\$ 16,046,312
Federal appropriations	1,753,732
Iowa Industrial New Jobs Training Program	1,376,928
Payments to employees for salaries and benefits	(31,089,062)
Payments to suppliers for goods and services	(25,752,814)
Payments to NJTP recipients	(253,817)
Scholarships	(2,901,239)
Auxiliary enterprises	15,011,012
Other receipts	699,442
Net cash (used by) operating activities	(25,109,506)
Cash flows from non-capital financing activities:	
State appropriations	15,751,285
Pell grant	9,703,522
Property tax	6,193,931
Agency Fund receipts	17,852,186
Agency Fund disbursements	(17,710,855)
Interest paid on debt	(91,053)
Principal paid on debt	(475,000)
Net cash provided by non-capital financing activities	31,224,016
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(2,652,627)
Interest paid on debt	(721,017)
Proceeds from issuance of debt	2,890,000
Principal paid on debt	(3,170,000)
Net cash (used by) capital and related financing activities	(3,653,644)
Cash flows from investing activities:	
Interest on investments	123,563
Net cash provided by investing activities	123,563
Net increase in cash	2,584,429
Cash beginning of year	22,270,061
Cash end of year	\$ 24,854,490

(Continued on next page)

IOWA CENTRAL COMMUNITY COLLEGE

**Exhibit C
(Continued)**

STATEMENT OF CASH FLOWS

Year Ended June 30, 2016

Reconciliation of operating (loss) to	
net cash (used by) operating activities:	
Operating (loss)	\$ (26,495,556)
Adjustments to reconcile operating (loss) to	
net cash (used by) operating activities:	
Depreciation	2,889,762
Changes in assets and liabilities:	
Increase in accounts receivable	(119,779)
Decrease in NJTP receivable	1,123,111
Increase in due from other governments	(559,074)
Increase in inventories	(89,201)
Increase in prepaid expenses	(161,329)
Decrease in accounts payable	(410,541)
Decrease in salaries payable	(36,914)
Decrease in advances from grantors	(348,330)
Decrease in net OPEB liability	(433,772)
Increase in compensated absences	6,558
Increase in pension liability	1,393,800
Decrease in pension-related deferred inflows	(1,846,316)
Increase in pension-related deferred outflows	(21,925)
	<hr/>
Total adjustments	1,386,050
	<hr/>
Net cash (used by) operating activities	\$ (25,109,506)
	<hr/>

See Notes to Financial Statements.

IOWA CENTRAL COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Iowa Central Community College is a publicly supported school established and operated by Merged Area V under the provisions of Chapter 260C of the Code of Iowa. The College offers programs of adult and continuing education, lifelong learning, community education, and up to two years of liberal arts, pre-professional or occupational instruction partially fulfilling the requirements for a baccalaureate degree but confers no more than an associate degree. It also offers up to two years of vocational or technical education, training or retraining to persons who are preparing to enter the labor market. Iowa Central Community College maintains campuses in Fort Dodge, Webster City, and Storm Lake, Iowa, and has its administrative offices in Fort Dodge. Iowa Central Community College is governed by a Board of Directors whose members are elected from each director district within Merged Area V.

The College's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Iowa Central Community College has included all funds, organizations, agencies, boards, commissions and authorities. The College has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the College are such that exclusion would cause the College's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the College to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the College.

These financial statements present Iowa Central Community College (the primary government) and its component unit. The component unit discussed below is included in the College's reporting entity because of the significance of its operational or financial relationship with the College. Certain disclosures about the component unit are not included because the component unit has been audited separately and a report has been issued under separate cover. The audited financial statements are available at the College.

Discrete Component Unit

Iowa Central Community College Foundation is a legally separate not-for-profit foundation. The Foundation was organized to receive and manage bequests, gifts, donations, and contributions made to or for the use of Iowa Central Community College. The Foundation is governed by a Board of Directors who are appointed by the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of the resources held are used for the benefit of Iowa Central Community College and its students. The address of the Foundation is One Triton Circle, Fort Dodge, Iowa.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1. Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (continued)

Discrete Component Unit (continued)

The Foundation is a non-profit organization which reports under accounting standards established by the Financial Accounting Standards Board (FASB). The Foundation's financial statements were prepared in accordance with the provisions of ASC Topic 958 – Not-for-Profit Entities. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting for these differences. The Foundation reports net assets, which is equivalent to net position reported by the College. Copies of the Foundation's financial statements may be obtained by contacting the Foundation.

B. Basis of Presentation

GASB Statement No. 35, establishes standards for external financial reporting for public colleges and universities and requires resources to be classified for accounting and reporting purposes into the following net position categories:

Net Investment in Capital Assets - Capital assets, net of accumulated depreciation and outstanding debt obligations attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position

Nonexpendable – Net position subject to externally-imposed stipulations that they be maintained permanently by the College, including the College's permanent endowment funds.

Expendable – Net position whose use by the College is subject to externally-imposed stipulations that can be fulfilled by actions of the College, pursuant to those stipulations or that expire by the passage of time.

Unrestricted Net Position - Net position that is not subject to externally-imposed situations. Resources may be designated for specific purposes by action of management or by the Board of Directors or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net position is designated for academic and general programs of the College.

GASB Statement No. 35 also requires the Statements of Net Position, Revenues, Expenses and Changes in Net Position, and Cash Flows be reported on a consolidated basis. These basic financial statements report information on all of the activities of the College. For the most part, the effect of interfund activity has been removed from these statements.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting

For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities as defined in GASB Statement No. 34. Accordingly, the basic financial statements of the College have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position

Due from Other Governments – This represents state aid, grants and reimbursements due from the State of Iowa and grants and reimbursements due from the Federal government.

Inventories – Inventories are valued at lower of cost (first-in, first-out method) or market. The cost is recorded as an expense at the time individual inventory items are consumed.

Property Tax Receivable – Property tax receivable is recognized on the levy or lien date, which is the date the tax asking is certified by the Board of Directors to the appropriate County Auditors. Delinquent property tax receivable represents unpaid taxes from the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Directors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Directors is required to certify its budget to the County Auditor by June 1 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred and will not be recognized as revenue until the year for which it is levied.

Receivable for Iowa Industrial New Jobs Training Program (NJTP) – This represents the amount to be remitted to the College for training projects entered into between the College and employers under the provisions of Chapter 260E of the Code of Iowa. The receivable amount is based on expenditures incurred through June 30, 2016 on NJTP projects, including interest incurred on NJTP certificates, less revenues received to date.

Capital Assets – Capital assets, which include land, buildings and improvements, equipment and vehicles, are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repair that do not add to the value of the assets or materially extend asset lives are not capitalized.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (continued)

Capital Assets (continued) – Capital assets are defined by the College as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years:

<u>Assets</u>	<u>Amount</u>
Land, buildings and improvements	\$ 5,000
Equipment and vehicles	5,000

Depreciation is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	25-50
Equipment and vehicles	5-10

The College does not capitalize or depreciate library books. The value of each book falls below the capital asset threshold and the balance was deemed immaterial to the financial statements.

Deferred Outflows of Resources: Deferred outflows of resources represent an acquisition of net position applicable to a future year which will not be recognized as an inflow of resources (revenue) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions from the College after the measurement date but before the end of the College reporting period.

Salaries and Benefits Payable – Payroll and related expenses for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

Advances from Grantors – Advances from grantors represents grant proceeds which have been received by the Community College, but will be spent in a succeeding fiscal year.

Compensated Absences – College employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. Amounts representing the cost of compensated absences are recorded as liabilities. These liabilities have been computed based on rates of pay in effect at June 30, 2016.

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (continued)

Deferred Inflows of Resources – Deferred inflows of resources represents an acquisition of net position that applies to a future year which will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources in the Statement of Net Position consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied and the unamortized portion of the net difference between projected and actual earnings on pension plan investments.

Auxiliary Enterprise Revenues – Auxiliary enterprise revenues primarily represent revenues generated by the bookstore, dormitories, Fuel Lab, Willow Ridge Restaurant and Golf Course, Health and Fitness Center, self-insurance program and athletics.

Summer Session – The College operates summer sessions during May, June and July. Revenues and expenses for the summer sessions are recorded in the appropriate fiscal year. Tuition and fees are allocated based on the load study distributions supplied by the College Registrar.

Tuition and Fees – Tuition and fees revenues are reported net of scholarship allowances, while stipends and other payments made directly to students are presented as scholarship and fellowship expenses.

Operating and Non-operating Activities – Operating activities, as reported in the Statement of Revenues, Expenses and Changes in Net Position, are transactions that result from exchange transactions, such as payments received for providing services and payments made for services or goods received. Non-operating activities include state appropriations, Pell grants, property tax and interest income.

E. Scholarship Allowances and Student Aid

Financial aid to students is reported in the financial statements under the alternative method, as prescribed by the National Association of College and University Business Officers (NACUBO). Certain aid (loans, funds provided to students as awarded by third parties and Federal Direct Lending) is accounted for as third party payments (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expenses represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Under the alternative method, these amounts are computed on a total College basis by allocating the cash payments to students, excluding payments for services, on the ratio of all aid to the aid not considered to be third party aid.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 2. Cash, Cash Equivalents and Pooled Investments

The College's deposits in banks at June 30, 2016 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The College is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Directors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

Interest rate risk – The College's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the College.

Note 3. Inventories

The College's inventories at June 30, 2016 are as follows:

<u>Type</u>	<u>Amount</u>
Merchandise held for resale	<u>\$ 816,775</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 4. Capital Assets

Capital assets activity for the year ended June 30, 2016 is as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Capital assets not being depreciated:				
Land	\$ 2,342,870	\$ -	\$ -	\$ 2,342,870
Construction in progress	314,830	1,204,248	(181,202)	1,337,876
Total capital assets not being depreciated	2,657,700	1,204,248	(181,202)	3,680,746
Capital assets being depreciated:				
Buildings	78,156,150	181,202	(759,000)	77,578,352
Improvements other than buildings	5,823,939	759,000	(20,442)	6,562,497
Equipment and vehicles	10,849,250	1,448,380	(165,775)	12,131,855
Total capital assets being depreciated	94,829,339	2,388,582	(945,217)	96,272,704
Less accumulated depreciation for:				
Buildings	17,362,507	1,561,745	-	18,924,252
Improvements other than buildings	3,162,029	258,768	(20,442)	3,400,355
Equipment and vehicles	7,960,622	1,069,249	(165,276)	8,864,595
Total accumulated depreciation	28,485,158	2,889,762	(185,718)	31,189,202
Total capital assets being depreciated, net	66,344,181	(501,180)	(759,499)	65,083,502
Capital assets, net	\$ 69,001,881	\$ 703,068	\$ (940,701)	\$ 68,764,248

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 5. Changes in Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2016 is as follows:

	Certificates Payable	Capital Loan Notes Payable	Bonds Payable	Net Pension Liability	Net OPEB Liability	Total
Balance, beginning of year	\$ 4,215,000	\$ 6,635,000	\$ 26,515,000	\$ 6,705,576	\$ 4,604,536	\$ 48,675,112
Additions	-	-	2,890,000	1,393,800	-	4,283,800
Reductions	(475,000)	(650,000)	(2,520,000)	-	(433,772)	(4,078,772)
Balance, end of year	\$3,740,000	\$5,985,000	\$26,885,000	\$ 8,099,376	\$ 4,170,764	\$48,880,140
Due within one year	\$ 470,000	\$ 665,000	\$ 2,565,000	\$ -	\$ -	\$ 3,700,000

Certificates Payable:

In accordance with agreements dated between July 1, 2006 and June 30, 2014, the College issued certificates totaling \$8,890,000 with interest rates ranging from 0.50% to 5.55%. The debt was incurred to fund the development and training costs incurred relative to implementing Chapter 260E of the Code of Iowa, Iowa Industrial New Jobs Training Program (NJTP). NJTP's purpose is to provide tax-aided training for employees of industries that are new to or are expanding their operations within the State of Iowa. Interest is payable semiannually, while principal payments are due annually. The certificates are to be retired by proceeds from anticipated job credits from withholding tax, incremental property tax, budgeted reserves and, in the case of default, from standby property tax.

The certificates will mature as follows:

Year Ending June 30	Principal	Interest	Total
2017	\$ 470,000	\$ 85,920	\$ 555,920
2018	475,000	79,195	554,195
2019	475,000	71,208	546,208
2020	485,000	62,020	547,020
2021	510,000	51,600	561,600
2022-2024	1,325,000	76,727	1,401,727
Total	\$ 3,740,000	\$ 426,670	\$ 4,166,670

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 5. Changes in Long-Term Liabilities (Continued)

Capital Loan Note Payable:

The College has issued a note for the purchase and construction of student dormitories and other related student facilities as allowed by Section 260C.19 of the Code of Iowa. Details of the College's outstanding capital loan note payable at June 30, 2016 is as follows:

Year Ending June 30,	Note Issuance of September 19, 2011			
	Interest Rate	Principal	Interest	Total
2017	1.80%	\$ 665,000	\$ 170,115	\$ 835,115
2018	2.10	685,000	158,145	843,145
2019	2.35	705,000	143,760	848,760
2020	2.60	730,000	127,193	857,193
2021	2.75	755,000	108,212	863,212
2022-2024	2.75-4.00	2,445,000	182,650	2,627,650
Total		\$ 5,985,000	\$ 890,075	\$ 6,875,075

Bonds Payable:

The College issued bonds for the construction of student dormitories and other related student facilities as allowed by Section 260C.19 of the Code of Iowa. Details of the College's June 30, 2016 bonded indebtedness are as follows:

Year Ending June 30,	Bond Issuance of March 5, 2012			
	Interest Rate	Principal	Interest	Total
2017	1.65%	\$ 990,000	\$ 49,988	\$ 1,039,988
2018	1.85	705,000	33,652	738,652
2019	2.10	620,000	20,610	640,610
2020	2.30	330,000	7,590	337,590
Total		\$ 2,645,000	\$ 111,840	\$ 2,756,840

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 5. Changes in Long-Term Liabilities (Continued)

Bonds Payable (continued):

Bond Issuance of March 5, 2012				
Year Ending June 30,	Interest		Interest	Total
	Rate	Principal		
2017	1.65%	\$ 300,000	\$ 97,410	\$ 397,410
2018	1.85	310,000	92,460	402,460
2019	2.10	315,000	86,725	401,725
2020	2.30	325,000	80,110	405,110
2021	2.50	330,000	72,635	402,635
2022-2027	2.65-3.20	2,215,000	238,973	2,453,973
Total		\$ 3,795,000	\$ 668,313	\$ 4,463,313

Bond Issuance of June 1, 2012				
Year Ending June 30,	Interest		Interest	Total
	Rate	Principal		
2017	1.55%	\$ 260,000	\$ 141,465	\$ 401,465
2018	1.65	265,000	137,436	402,436
2019	1.90	270,000	133,063	403,063
2020	2.00	275,000	127,933	402,933
2021	2.20	280,000	122,432	402,432
2022-2032	2.40-3.50	3,640,000	769,461	4,409,461
Total		\$ 4,990,000	\$ 1,431,790	\$ 6,421,790

Bond Refunding of December 28, 2012				
Year Ending June 30,	Interest		Interest	Total
	Rate	Principal		
2017	0.70%	\$ 60,000	\$ 86,630	\$ 146,630
2018	1.00	60,000	86,210	146,210
2019	1.00	60,000	85,610	145,610
2020	1.30	60,000	85,010	145,010
2021	1.30	65,000	84,230	149,230
2022-2028	1.80-2.50	3,390,000	449,645	3,839,645
Total		\$ 3,695,000	\$ 877,335	\$ 4,572,335

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 5. Changes in Long-Term Liabilities (Continued)

Bonds Payable (continued):

Bond Refunding of February 20, 2013				
Year Ending June 30,	Interest			
	Rate	Principal	Interest	Total
2017	0.85%	\$ 955,000	\$ 137,702	\$ 1,092,702
2018	1.00	960,000	129,584	1,089,584
2019	1.15	975,000	119,984	1,094,984
2020	1.35	985,000	108,770	1,093,770
2021	1.55	995,000	95,474	1,090,474
2022-2028	1.75-2.38	4,000,000	216,558	4,216,558
Total		\$ 8,870,000	\$ 808,072	\$ 9,678,072

Bond Refunding of June 30, 2016				
Year Ending June 30,	Interest			
	Rate	Principal	Interest	Total
2017	2.00%	\$ -	\$ 63,255	\$ 63,255
2018	2.00	125,000	68,798	193,798
2019	2.00	130,000	66,297	196,297
2020	2.00	130,000	63,698	193,698
2021	1.50	135,000	61,097	196,097
2022-2028	1.50-3.00	2,370,000	552,718	2,922,718
Total		\$ 2,890,000	\$ 875,863	\$ 3,765,863

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 6. Operating Leases

The College has leased various facilities and equipment. These leases have been classified as operating leases and accordingly, all rents are expensed as incurred. The leases expire between November 2016 and December 2020 and require various minimum annual rentals. Certain leases are renewable for additional periods. Some of the leases also require the payment of normal maintenance and insurance on the properties. In most cases, management expects that the leases will be renewed or replaced by other leases. The following is a schedule by year of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2016:

Year Ending June 30	Amount
2017	\$ 186,201
2018	149,861
2019	65,237
2020	28,740
2021	7,012
Thereafter	-
Total	\$ 437,051

Rents for the year ended June 30, 2016 for all operating leases, except those with terms of a month or less which were not renewed, totaled \$201,805.

Note 7. Iowa Public Employees Retirement System (IPERS)

Plan Description: IPERS membership is mandatory for employees of the College, except for those covered by another retirement system. Employees of the College are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by IPERS. IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits: A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member's first month of entitlement to benefits. Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier based on years of service.
- The member's highest five-year average salary, except members with service before June 20, 2012 will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 7. Iowa Public Employees Retirement System (IPERS) (Continued)

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month that the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits: A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions: Contribution rates are established by IPERS following the annual actuarial valuation which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2016, pursuant to the required rate, Regular members contributed 5.95% of covered payroll and the College contributed 8.93% of covered payroll for a total rate of 14.88%.

The College's contributions to IPERS for the year ended June 30, 2016 were \$1,048,634.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2016, the College reports a liability of \$8,099,376 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability was based on the College's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2015, the College's proportion was 0.162918%, which was a decrease of 0.002771% from its proportion measured as of June 30, 2014.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 7. Iowa Public Employees Retirement System (IPERS) (Continued)

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued): For the year ended June 30, 2016, the College recognized pension expense of \$574,583. At June 30, 2016, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 122,371	\$ -
Changes of assumptions	222,996	-
Net difference between projected and actual earnings on IPERS' investments	-	674,080
Changes in proportion and differences between College contributions and the College's proportionate share of contributions	-	382,224
College contributions subsequent to the measurement date	1,048,634	-
Total	\$ 1,394,001	\$ 1,056,304

\$1,048,634 reported as deferred outflows of resources related to pensions resulting from the College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Total
2017	\$ (333,350)
2018	(333,350)
2019	(333,350)
2020	292,215
2021	(3,102)
	<u>\$ (710,937)</u>

There were no non-employer contributing entities to IPERS.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 7. Iowa Public Employees Retirement System (IPERS) (Continued)

Actuarial Assumptions: The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, as follows:

Rate of inflation (effective June 30, 2014)	3.00% per annum
Rates of salary increase (effective June 30, 2010)	4.00 to 17.00%, average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 1996)	7.50%, compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 1990)	4.00% per annum, based on 3.00% inflation and 1.00% real wage inflation.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-term Expected Real Rate of Return
Core plus fixed income	28 %	2.04 %
Domestic equity	24	6.29
International equity	16	6.75
Private equity / debt	11	11.32
Real estate	8	3.48
Credit opportunities	5	3.63
U.S. TIPS	5	1.91
Other real assets	2	6.24
Cash	1	(0.71)
	<hr/> 100 % <hr/>	

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 7. Iowa Public Employees Retirement System (IPERS) (Continued)

Discount Rate: The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the College will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the College's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1.0% lower (6.50%) or 1.0% higher (8.50%) than the current rate.

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
College's proportionate share of the net pension liability	\$ 14,180,551	\$ 8,099,376	\$ 2,966,429

IPERS Fiduciary Net Position: Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

Payables to IPERS: At June 30, 2016, the College reported payables to IPERS of \$0 for legally required College contributions and \$0 for legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

Note 8. Teachers Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF)

The College contributes to the TIAA-CREF retirement program, which is a defined contribution pension plan. TIAA-CREF administers the retirement plan for the College. The defined contribution retirement plan provides individual annuities for each plan participant. As required by the Code of Iowa, all eligible College employees must participate in a retirement plan from the date they are employed.

Benefit terms, including contribution requirements, for TIAA-CREF are established and specified by the contract with TIAA-CREF, and in accordance with the Code of Iowa. For each employee in the pension plan, the College is required to contribute 8.93% of annual salary, including overtime pay, to an individual employee account. Each employee is required to contribute 5.95%. Contributions made by both the College and employees vest immediately. For the year ended June 30, 2016, employee contributions totaled \$387,109 and the College recognized pension expense of \$580,989.

At June 30, 2016, the College reported payables to the TIAA-CREF of \$0 for legally required College contributions and \$0 for legally required employee contributions, which had been withheld from employee wages but not yet remitted to TIAA-CREF.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 9. Other Postemployment Benefits (OPEB)

Plan Description - The College operates a single-employer health benefit plan, which provides medical/prescription drug benefits for employees, retirees and their spouses. There are 330 active and 31 retired members in the plan. Retired participants must be age 55 or older at retirement.

The College pays the employer share of premiums for both single and family coverage for active employees and purchases the fully insured benefits through its self-funded group insurance plan. Upon retirement, the future retired plan member pays 100% of the required premium less any explicit benefit. The Plan coverage terminates upon reaching Medicare eligibility age 65.

Funding Policy - The contribution requirements of plan members are established and may be amended by the College. The College currently finances the retiree benefit plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation - The College's annual OPEB cost is calculated based on the annual required contribution (ARC) of the Community College, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the College's annual OPEB cost for the year ended June 30, 2016, the amount actually contributed to the plan and changes in the College's net OPEB obligation:

Annual required contribution	\$ 581,636
Interest on net OPEB obligation	115,113
Adjustments to annual required contribution	<u>(829,558)</u>
Annual OPEB cost	(132,809)
Contributions made	<u>(300,963)</u>
Decrease in net OPEB obligation	(433,772)
Net OPEB obligation beginning of year	<u>4,604,536</u>
Net OPEB obligation end of year	<u><u>\$ 4,170,764</u></u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2008. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2016.

For the year ended June 30, 2016, the College contributed \$300,963 to the medical plan.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 9. Other Postemployment Benefits (OPEB) (Continued)

The College's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation are summarized as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2014	\$ (285,231)	(110)%	\$ 5,104,944
June 30, 2015	(62,358)	(558)	4,604,536
June 30, 2016	(132,809)	(227)	4,170,764

Funded Status and Funding Progress - As of July 1, 2014, the most recent actuarial valuation date for the period July 1, 2015 through June 30, 2016, the actuarial accrued liability was \$2.33 million, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$2.33 million. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$16,879,000 and the ratio of the UAAL to covered payroll was 13.8%. As of June 30, 2016, there were no trust fund assets.

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress for the Retiree Health Plan, presented as Required Supplementary Information in the section following the Notes to Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2014 actuarial valuation date, the frozen entry age actuarial cost method was used. The actuarial assumptions include a 2.50% discount rate based on the College's funding policy. The projected annual health cost trend rate is 6%. An inflation rate of 0% is assumed for the purpose of this computation.

Mortality rates are from the 94 Group Annuity Mortality Table Projected to 2000, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2014 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2014. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 10. Risk Management

Iowa Central Community College carries commercial insurance purchased from insurers for coverage associated with torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 11. New Jobs Training Programs

The College administers the Iowa Industrial New Jobs Training Program (NJTP) in Area V in accordance with Chapter 260E of the Code of Iowa. NJTP's purpose is to provide tax-aided training or retraining for employees of industries that are new to or are expanding their operations within the State of Iowa. Certificates are sold by the College to fund approved projects and are to be retired by proceeds from anticipated jobs credits from withholding taxes, incremental property tax, budgeted reserves and in the case of default, from standby property tax. Since inception, the College administered 105 projects with 6 currently receiving project funding. The remaining 99 projects have been completed and the certificates have been paid. In cases where projects exceed the budgeted amounts, the college intends to obtain additional withholding revenue from the companies.

Note 12. Self-Insurance Program

Effective July 1, 2000, the College has a self-insurance program for hospitalization and medical coverage for its employees. The College limits its losses through the use of stop-loss policies from insurers. Specific individual losses for claims are limited to \$100,000 per year. The College's aggregate annual loss limitation is based on a formula that considers, among other things, the total number of employees and was limited to \$4,482,133 in claims as of June 30, 2016. For the year ended June 30, 2016, the College paid \$4,333,590 under the program, which includes health and dental claims, and administrative costs.

Note 13. Subsequent Events

Subsequent events have been evaluated through December 4, 2016, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

Note 14. Construction Commitments

The College has entered into contracts totaling \$3,183,896 for the construction of the East Campus elevator and a new dormitory. As of June 30, 2016, costs of \$517,247 had been incurred against the contracts. The balance of \$2,666,649 remaining at June 30, 2016 will be paid as work on the projects progresses.

REQUIRED SUPPLEMENTARY INFORMATION

IOWA CENTRAL COMMUNITY COLLEGE

IOWA CENTRAL COMMUNITY COLLEGE

**SCHEDULE OF THE COLLEGE'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
Iowa Public Employees' Retirement System
For the Last Two Years*
(In Thousands)**

Required Supplementary Information

	2016	2015
College's proportion of the net pension liability	0.162918%	0.165689%
College's proportionate share of the net pension liability	\$ 8,099	\$ 6,706
College's covered-employee payroll	\$ 11,235	\$ 11,082
College's proportionate share of the net pension liability as a percentage of its covered-employee payroll	72.09%	60.51%
IPERS' net position as a percentage of the total pension liability	85.19%	87.61%

* In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding fiscal year.

See accompanying Independent Auditor's Report.

IOWA CENTRAL COMMUNITY COLLEGE

SCHEDULE OF COLLEGE CONTRIBUTIONS

Iowa Public Employees' Retirement System

For the Last Ten Years

(In Thousands)

Required Supplementary Information

	2016	2015	2014	2013
Statutorily required contribution	\$ 1,049	\$ 1,003	\$ 990	\$ 973
Contributions in relation to the statutorily required contribution	(1,049)	(1,003)	(990)	(973)
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
College's covered-employee payroll	\$ 11,743	11,235	11,082	11,227
Contributions as a percentage of covered-employee payroll	8.93%	8.93%	8.93%	8.67%

See accompanying Independent Auditor's Report.

2012	2011	2010	2009	2008	2007
\$ 860	\$ 711	\$ 645	\$ 608	\$ 557	\$ 484
(860)	(711)	(645)	(608)	(557)	(484)
-	-	-	-	-	-
10,651	10,235	9,700	9,578	9,214	8,418
8.07%	6.95%	6.65%	6.35%	6.05%	5.75%

IOWA CENTRAL COMMUNITY COLLEGE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY Year ended June 30, 2016

Changes of benefit terms:

Legislation enacted in 2010 modified benefit terms for Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3% per year measured from the member's first unreduced retirement age to a 6% reduction for each year of retirement before age 65.

Legislative action in 2008 transferred four groups – emergency medical service providers, county jailers, county attorney investigators, and National Guard installation security officers – from Regular membership to the protection occupation group for future service only.

Changes of assumptions:

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in the future years. It also included the one-year lag between the valuation date and the effective date of the annual actuarial contribution rate in the calculation of the UAL amortization payments.

IOWA CENTRAL COMMUNITY COLLEGE

**SCHEDULE OF FUNDING PROGRESS
FOR THE RETIREE HEALTH PLAN
(In Thousands)**

Required Supplementary Information

Year-Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
2011	July 1, 2010	\$ -	\$ 10,710	\$ 10,710	0%	\$ 14,089	76.0%
2012	July 1, 2010	-	10,710	10,710	0	14,659	73.1
2013	July 1, 2012	-	2,800	2,800	0	15,393	18.2
2014	July 1, 2012	-	2,800	2,800	0	16,065	17.4
2015	July 1, 2014	-	2,330	2,330	0	16,179	14.4
2016	July 1, 2014	-	2,330	2,330	0	16,879	13.8

See Note 9 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost, net OPEB obligation, funded status and funding progress.

See accompanying Independent Auditor's Report.

SUPPLEMENTARY INFORMATION

IOWA CENTRAL COMMUNITY COLLEGE

NOTE TO SUPPLEMENTARY INFORMATION

June 30, 2016

Supplementary information of the College is presented on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenue and expenditures. The various fund groups and their designated purposes are as follows:

Current Funds – The Current Funds are utilized to account for those economic resources that are expendable for the purpose of performing the primary and supporting missions of the College and consist of the following:

Unrestricted Fund – The Educational and Support subgroup of the Unrestricted Fund accounts for the general operations of the College.

The Auxiliary Enterprises subgroup accounts for activities which are intended to provide non-instructional services for sales to students, staff and/or institutional departments, and which are supplemental to the educational and general objectives of the College.

Restricted Fund – The Restricted Fund is used to account for resources that are available for the operation and support of the educational program but which are restricted as to their use by donors or outside agencies.

Loan Funds – The Loan Funds are used to account for loans to students, and are financed primarily by the federal government.

Endowment Funds – The Endowment Funds are used to account for resources, the principal of which is maintained inviolate to conform with restrictions by donors or other outside agencies. Generally, only the income from these funds may be used.

Plant Funds – The Plant Funds are used to account for transactions relating to investment in the College properties, and consist of the following self-balancing accounts:

Unexpended – This account is used to account for the unexpended resources derived from various sources for the acquisition or construction of plant assets.

Investment in Plant – This account is used to account for the excess of the carrying value of plant assets over the related liabilities.

Agency Funds – The Agency Funds are used to account for assets held by the College in a custodial capacity or as an agent for others. Agency Funds' assets equal liabilities.

The Budgetary Comparison Schedule of Expenditures – Budget to Actual provides a comparison of the budget to actual expenditures for those funds and/or levies required to be budgeted. Since Iowa Central Community College uses Business-Type Activities reporting, this budgetary comparison information is included as other supplementary information.

Schedules presented in supplementary information are reported using the current financial resources measurement focus and the accrual basis of accounting with modifications for depreciation and other items included in the adjustments column. The schedule of revenues, expenditures and changes in fund balances is a schedule of financial activities related to the current reporting period. It does not purport to present the results of operations or net income or loss for the period as would a statement of income or a statement of revenues and expenses.

**BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES -
BUDGET TO ACTUAL**

Year Ended June 30, 2016

Funds/Levy	Original Budget	Amended Budget	Actual	Variance Between Actual and Amended Budget
Unrestricted	\$ 37,700,000	\$ 37,678,768	\$ 32,927,609	\$ 4,751,159
Restricted	13,104,837	12,063,730	5,394,855	6,668,875
Unemployment	50,000	34,000	23,359	10,641
Tort liability	500,000	550,000	525,660	24,340
Insurance	500,000	1,080,000	986,794	93,206
Early retirement	300,000	1,370,000	562,703	807,297
Equipment replacement	800,000	1,000,000	680,962	319,038
Total restricted	15,254,837	16,097,730	8,174,333	7,923,397
Plant	9,780,000	13,212,553	2,705,759	10,506,794
Bonds and interest	1,310,572	1,310,572	193,145	1,117,427
Total	\$ 64,045,409	\$ 68,299,623	\$ 44,000,846	\$ 24,298,777

Note to Budgetary Reporting:

The Board of Directors annually prepares a budget designating the proposed expenditures for operation of the College on a basis consistent with U. S. generally accepting accounting principles. Following required public notice and hearing, and in accordance with Chapter 260C of the Code of Iowa, the Board of Directors certifies the approved budget to the appropriate county auditors and then submits the budget to the State Board of Education for approval. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Formal and legal budgetary control is based on total operating expenditures.

Budgets are not required to be adopted for the Auxiliary Enterprises subgroup, Workforce Improvement Act, Scholarships and Grants Accounts, Loan Funds, Endowment Funds and Agency Funds.

For the year ended June 30, 2016, the College's expenditures did not exceed the amount budgeted.

See accompanying Independent Auditor's Report.

IOWA CENTRAL COMMUNITY COLLEGE

BALANCE SHEET - ALL FUNDS

June 30, 2016

	Current Funds		Loan Funds
	Unrestricted	Restricted	
Assets			
Cash	\$ 16,231,497	\$ 6,740,620	\$ 562
Receivables:			
Accounts	1,631,562	-	-
Property tax:			
Succeeding year	1,527,018	4,293,749	-
Iowa Industrial New Jobs Training Program, net of allowance of \$118,751	-	2,088,692	-
Due from other funds	9,453,459	-	-
Due from other governments	-	1,186,356	-
Inventories	816,775	-	-
Prepaid expenses	168,170	323,428	-
Capital assets:			
Land	-	-	-
Buildings	-	-	-
Construction in progress	-	-	-
Improvements other than buildings	-	-	-
Equipment and vehicles	-	-	-
Accumulated depreciation	-	-	-
Total assets	29,828,481	14,632,845	562
Deferred Outflows of Resources			
Pension related deferred inflows	-	-	-
Total assets and deferred outflows of resources	\$ 29,828,481	\$ 14,632,845	\$ 562

See accompanying Independent Auditor's Report.

Schedule 2

Plant Funds		Agency Funds	Adjustments	Total
Unexpended	Investment in Plant			
\$ 1,462,042	\$ -	\$ 419,769	\$ -	\$ 24,854,490
-	-	-	-	1,631,562
2,849,750	-	-	-	8,670,517
-	-	-	-	2,088,692
2,785,878	-	-	(12,239,337)	-
-	-	85,656	-	1,272,012
-	-	-	-	816,775
-	-	-	-	491,598
-	2,342,870	-	-	2,342,870
-	77,578,352	-	-	77,578,352
-	1,337,876	-	-	1,337,876
-	6,562,497	-	-	6,562,497
-	12,131,855	-	-	12,131,855
-	-	-	(31,189,202)	(31,189,202)
7,097,670	99,953,450	505,425	(43,428,539)	108,589,894
-	-	-	1,394,001	1,394,001
\$ 7,097,670	\$ 99,953,450	\$ 505,425	\$ (42,034,538)	\$ 109,983,895

IOWA CENTRAL COMMUNITY COLLEGE

BALANCE SHEET - ALL FUNDS

June 30, 2016

	Current Funds		Loan Funds
	Unrestricted	Restricted	
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 821,646	\$ -	\$ -
Salaries and benefits payable	1,009,187	-	-
Interest payable	20,919	7,160	-
Due to other funds	11,503,722	732,243	-
Advances from grantors	49,473	3,384,638	-
Compensated absences	538,040	-	-
Deposits held in custody for others	-	-	-
Certificates payable	-	3,740,000	-
Capital loan note payable	-	-	-
Bonds payable	-	-	-
Net pension liability	-	-	-
Net OPEB Liability	-	-	-
Total liabilities	13,942,987	7,864,041	-
Deferred inflows of resources			
Succeeding year property tax	1,527,018	4,293,749	-
Pension related deferred inflows	-	-	-
	1,527,018	4,293,749	-
Fund balances:			
Net investment in capital assets	-	-	-
Restricted:			
Expendable:			
Scholarships and fellowships	-	36,226	-
Loans	-	-	562
Cash reserve	-	319,603	-
Other	-	2,119,226	-
Auxiliary enterprises	10,551,269	-	-
Unrestricted	3,807,207	-	-
Total fund balances	14,358,476	2,475,055	562
Total liabilities, deferred inflows of resources and fund balances	\$ 29,828,481	\$ 14,632,845	\$ 562

**Schedule 2
(Continued)**

Plant Funds		Agency Funds	Adjustments	Total
Unexpended	Investment in Plant			
\$ 50,000	\$ -	\$ -	\$ -	\$ 871,646
-	-	-	-	1,009,187
6,862	-	-	-	34,941
-	-	3,372	(12,239,337)	-
-	-	-	-	3,434,111
-	-	-	-	538,040
-	-	502,053	-	502,053
-	-	-	-	3,740,000
-	5,985,000	-	-	5,985,000
-	26,885,000	-	-	26,885,000
-	-	-	8,099,376	8,099,376
-	-	-	4,170,764	4,170,764
56,862	32,870,000	505,425	30,803	55,270,118
2,849,750	-	-	-	8,670,517
-	-	-	1,056,304	1,056,304
2,849,750	-	-	1,056,304	9,726,821
-	67,083,450	-	(31,189,202)	35,894,248
-	-	-	-	36,226
-	-	-	-	562
-	-	-	-	319,603
-	-	-	-	2,119,226
-	-	-	(24,402)	10,526,867
4,191,058	-	-	(11,908,041)	(3,909,776)
4,191,058	67,083,450	-	(43,121,645)	44,986,956
\$ 7,097,670	\$ 99,953,450	\$ 505,425	\$ (42,034,538)	\$ 109,983,895

IOWA CENTRAL COMMUNITY COLLEGE

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL FUNDS**

Year Ended June 30, 2016

	Current Funds		Loan Funds
	Unrestricted	Restricted	
Revenues:			
General:			
State appropriations	\$ 11,446,382	\$ 3,734,371	\$ -
Tuition and fees	22,415,153	-	-
Property tax	1,508,270	1,866,337	-
Federal appropriations	31,841	11,660,137	-
Sales and services	482,319	331,875	-
Interest on investments	97,541	26,022	-
Iowa Industrial New Jobs Training Program	-	253,817	-
Increase in plant investment due to plant expenditures, including \$1,589,581 of expenditures in current funds	-	-	-
Miscellaneous	260,025	88,579	-
	<u>36,241,531</u>	<u>17,961,138</u>	<u>-</u>
Auxiliary enterprises:			
Tuition and fees	673,367	-	-
Sales and services	16,395,444	-	-
Miscellaneous	230,967	-	-
	<u>17,299,778</u>	<u>-</u>	<u>-</u>
Total revenues	<u>53,541,309</u>	<u>17,961,138</u>	<u>-</u>
Expenditures:			
Education and support:			
Liberal arts and sciences	8,517,433	-	-
Vocational technical	7,126,168	865,568	-
Adult education	1,945,958	1,498,456	-
Cooperative services	-	503,379	-
Administration	1,511,433	221,769	-
Student services	5,007,592	-	-
Learning resources	124,000	-	-
Physical plant	4,172,259	986,794	-
General institution	4,522,766	4,098,367	-
Total education and support	<u>32,927,609</u>	<u>8,174,333</u>	<u>-</u>

Schedule 3

Plant Funds			
Unexpended	Investment in Plant	Adjustments	Total
\$ 570,532	\$ -	\$ -	\$ 15,751,285
-	-	(6,249,062)	16,166,091
2,819,324	-	-	6,193,931
-	-	-	11,691,978
202,248	-	(2,339)	1,014,103
-	-	-	123,563
-	-	-	253,817
-	2,652,627	(2,652,627)	-
9,415	-	-	358,019
3,601,519	2,652,627	(8,904,028)	51,552,787
-	-	-	673,367
-	-	(2,288,766)	14,106,678
-	-	-	230,967
-	-	(2,288,766)	15,011,012
3,601,519	2,652,627	(11,192,794)	66,563,799
-	-	(138,282)	8,379,151
337,054	-	(355,096)	7,973,694
-	-	(70,513)	3,373,901
-	-	(96,118)	407,261
-	-	(39,488)	1,693,714
-	-	(183,335)	4,824,257
-	-	(2,820)	121,180
-	-	(241,357)	4,917,696
-	-	(1,267,365)	7,353,768
337,054	-	(2,394,374)	39,044,622

(Continued on next page)

IOWA CENTRAL COMMUNITY COLLEGE

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL FUNDS**

Year Ended June 30, 2016

	Current Funds		Loan Funds
	Unrestricted	Restricted	
Expenditures (Continued):			
Auxiliary enterprises	\$ 15,833,927	\$ -	\$ -
Scholarships and grants	-	11,434,318	4,430
Administrative and collection costs	-	-	-
Plant asset acquisitions	-	-	-
Disposal of plant assets	-	-	-
Loss on disposal of capital assets	-	-	-
Depreciation	-	-	-
Interest on indebtedness	-	-	-
Total expenditures	48,761,536	19,608,651	4,430
Excess (deficiency) of revenues over (under) expenditures	4,779,773	(1,647,513)	(4,430)
Transfers:			
Non-mandatory transfers	(3,023,714)	485,344	-
Total transfers	(3,023,714)	485,344	-
Net	1,756,059	(1,162,169)	(4,430)
Fund balances beginning of year	12,602,417	3,637,224	4,992
Fund balances end of year	\$ 14,358,476	\$ 2,475,055	\$ 562

See accompanying Independent Auditor's Report.

Schedule 3
(Continued)

Plant Funds			
Unexpended	Investment in Plant	Adjustments	Total
\$ -	\$ -	\$ (546,953)	\$ 15,286,974
-	-	(8,537,509)	2,901,239
1,164,457	-	-	1,164,457
1,204,248	-	(1,204,248)	-
-	186,216	(186,216)	-
-	-	498	498
-	-	2,889,762	2,889,762
193,145	-	582,077	775,222
2,898,904	186,216	(9,396,963)	62,062,774
702,615	2,466,411	(1,795,831)	4,501,025
2,258,370	280,000	-	-
2,258,370	280,000	-	-
2,960,985	2,746,411	(1,795,831)	4,501,025
1,230,073	64,337,039	(41,325,814)	40,485,931
\$ 4,191,058	\$ 67,083,450	\$ (43,121,645)	\$ 44,986,956

IOWA CENTRAL COMMUNITY COLLEGE

UNRESTRICTED FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES --
EDUCATION AND SUPPORT**

Year Ended June 30, 2016

	Education			
	Liberal Arts and Sciences	Vocational Technical	Adult Education	Cooperative Services
Revenues:				
State appropriations	\$ 7,391,719	\$ 2,838,202	\$ 1,184,503	\$ -
Tuition and fees	13,183,891	7,389,401	1,472,940	-
Property tax	-	-	-	-
Federal appropriations	-	-	-	-
Sales and services	-	10,423	98,094	-
Interest on investments	-	-	-	-
Miscellaneous	-	99,774	115,201	-
	20,575,610	10,337,800	2,870,738	-
Allocation of support services	1,351,560	737,215	344,034	24,574
Total revenues	21,927,170	11,075,015	3,214,772	24,574
Expenditures:				
Salaries and benefits	6,889,465	6,131,891	1,137,264	-
Services	1,466,219	177,175	478,653	-
Materials and supplies	152,473	757,430	141,871	-
Travel	6,976	33,870	2,749	-
Plant asset acquisitions	-	17,100	5,199	-
Loan cancellation and bad debts	-	-	31,079	-
Scholarships	-	-	149,143	-
Miscellaneous	2,300	8,702	-	-
	8,517,433	7,126,168	1,945,958	-
Allocation of support services	8,435,927	4,601,415	2,147,327	153,381
Total expenditures	16,953,360	11,727,583	4,093,285	153,381

Schedule 4

Support					Education and Support Total
General Adminis- tration	Student Services	Learning Resources	Physical Plant	General Institution	
\$ 31,958	\$ -	\$ -	\$ -	\$ -	\$ 11,446,382
-	22,208	-	-	346,713	22,415,153
1,508,270	-	-	-	-	1,508,270
-	31,841	-	-	-	31,841
412	13,151	501	123,620	236,118	482,319
97,541	-	-	-	-	97,541
37,975	-	-	5,000	2,075	260,025
1,676,156	67,200	501	128,620	584,906	36,241,531
(1,676,156)	(67,200)	(501)	(128,620)	(584,906)	-
-	-	-	-	-	36,241,531
1,040,895	4,661,606	100,560	2,225,632	2,333,137	24,520,450
289,945	179,174	33	1,115,455	1,091,786	4,798,440
52,754	82,648	23,221	719,496	489,236	2,419,129
34,015	84,164	186	-	75,667	237,627
-	-	-	111,676	16,585	150,560
-	-	-	-	277,860	308,939
-	-	-	-	-	149,143
93,824	-	-	-	238,495	343,321
1,511,433	5,007,592	124,000	4,172,259	4,522,766	32,927,609
(1,511,433)	(5,007,592)	(124,000)	(4,172,259)	(4,522,766)	-
-	-	-	-	-	32,927,609

(Continued on next page)

IOWA CENTRAL COMMUNITY COLLEGE

UNRESTRICTED FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES --
EDUCATION AND SUPPORT**

Year Ended June 30, 2016

	Education			
	Liberal Arts and Sciences	Vocational Technical	Adult Education	Cooperative Services
Excess (deficiency) of revenues over (under) expenditures	\$ 4,973,810	\$ (652,568)	\$ (878,513)	\$ (128,807)
Transfers:				
Non-mandatory transfers	-	(49,438)	(5,682)	-
Total transfers	-	(49,438)	(5,682)	-
Net	\$ 4,973,810	\$ (702,006)	\$ (884,195)	\$ (128,807)
Fund balance beginning of year				
Fund balance end of year				

See accompanying Independent Auditor's Report.

**Schedule 4
(Continued)**

Support					Education and Support Total
General Adminis- tration	Student Services	Learning Resources	Physical Plant	General Institution	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,313,922
5,980	17,114	-	7,181	(2,698,117)	(2,722,962)
5,980	17,114	-	7,181	(2,698,117)	(2,722,962)
\$ 5,980	\$ 17,114	\$ -	\$ 7,181	\$ (2,698,117)	590,960
					3,216,247
					<u>\$ 3,807,207</u>

IOWA CENTRAL COMMUNITY COLLEGE

UNRESTRICTED FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES --
AUXILIARY ENTERPRISES**

Year Ended June 30, 2016

	Bookstore	Career Education	Athletics and Student Organizations	Self- Insurance Program
Revenues:				
Tuition and fees	\$ -	\$ -	\$ 539,372	\$ -
Sales and services	2,511,805	206,319	191,376	4,889,696
Miscellaneous	-	-	61,418	-
Total revenues	2,511,805	206,319	792,166	4,889,696
Expenditures:				
Salaries and benefits	164,878	4,444	17,991	-
Services	19,347	2,772	437,478	4,655,657
Materials and supplies	205,564	58,920	735,614	-
Travel	162	1,635	595,134	-
Plant asset acquisitions	-	-	5,065	-
Interest on indebtedness	-	-	-	-
Cost of goods sold	1,567,029	151,632	-	-
Scholarships	2,000	-	1,102,305	-
Bad debts	-	-	-	-
Miscellaneous	-	37,617	-	-
Total expenditures	1,958,980	257,020	2,893,587	4,655,657
Excess (deficiency) of revenues over (under) expenditures	552,825	(50,701)	(2,101,421)	234,039
Transfers:				
Non-mandatory transfers	492,977	72,810	2,841,609	(818,363)
Net	1,045,802	22,109	740,188	(584,324)
Fund balances beginning of year	2,501,749	(22,109)	(4,826)	2,188,295
Fund balances end of year	\$ 3,547,551	\$ -	\$ 735,362	\$ 1,603,971

See accompanying Independent Auditor's Report.

Schedule 5

Dormitories	Miscellaneous	Total
\$ 127,875	\$ 6,120	\$ 673,367
6,997,723	1,598,525	16,395,444
-	169,549	230,967
7,125,598	1,774,194	17,299,778
532,771	776,348	1,496,432
2,542,607	454,574	8,112,435
312,365	245,166	1,557,629
4,086	10,030	611,047
12,939	151,721	169,725
491,024	-	491,024
-	-	1,718,661
519,965	-	1,624,270
-	6,631	6,631
-	8,456	46,073
4,415,757	1,652,926	15,833,927
2,709,841	121,268	1,465,851
(2,770,066)	(119,719)	(300,752)
(60,225)	1,549	1,165,099
4,468,192	254,869	9,386,170
\$ 4,407,967	\$ 256,418	\$ 10,551,269

IOWA CENTRAL COMMUNITY COLLEGE

RESTRICTED FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Year Ended June 30, 2016

	Scholarships and Grants	Equipment Replacement	Insurance
Revenues:			
State appropriations	\$ 929,566	\$ 14,202	\$ 8,904
Property tax	-	670,270	421,170
Federal appropriations	9,896,480	-	-
Sales and services	-	-	-
Interest on investments	-	-	-
Iowa Industrial New Jobs Training Program	-	-	-
Miscellaneous	88,449	-	-
Total revenues	10,914,495	684,472	430,074
Expenditures:			
Salaries and benefits	-	-	-
Services	-	-	986,794
Materials and supplies	-	98,717	-
Travel	-	-	-
Plant asset acquisitions	-	-	-
Interest on indebtedness	-	-	-
Awards to subrecipients	-	-	-
Federal Pell Grant program	9,703,522	-	-
Federal Supplemental Educational Opportunity Grant	192,958	-	-
Iowa College Student Aid Commission	918,849	-	-
Miscellaneous	618,989	582,245	-
Total expenditures	11,434,318	680,962	986,794
Excess (deficiency) of revenues over (under) expenditures	(519,823)	3,510	(556,720)
Transfers:			
Non-mandatory transfers	503,690	(16,722)	-
Net	(16,133)	(13,212)	(556,720)
Fund balance beginning of year	52,359	513,565	677,434
Fund balance end of year	\$ 36,226	\$ 500,353	\$ 120,714

See accompanying Independent Auditor's Report.

Early Retirement		Unemployment Compensation		Cash Reserve		Tort Liability		Iowa Industrial New Jobs Training Program		Miscellaneous		Total	
\$	6,360	\$	852	\$	-	\$	9,127	\$	-	\$	2,765,360	\$	3,734,371
	303,552		40,235		-		431,110		-		-		1,866,337
	-		-		-		-		-		1,763,657		11,660,137
	-		-		-		-		-		331,875		331,875
	-		-		-		-		-		26,022		26,022
	-		-		-		-		253,817		-		253,817
	-		-		-		-		-		130		88,579
	309,912		41,087		-		440,237		253,817		4,887,044		17,961,138
	562,703		23,359		-		525,660		-		3,021,391		4,133,113
	-		-		-		-		162,764		476,672		1,626,230
	-		-		-		-		-		515,117		613,834
	-		-		-		-		-		45,937		45,937
	-		-		-		-		-		585,202		585,202
	-		-		-		-		91,053		-		91,053
	-		-		-		-		-		455,482		455,482
	-		-		-		-		-		-		9,703,522
	-		-		-		-		-		-		192,958
	-		-		-		-		-		-		918,849
	-		-		-		-		-		41,237		1,242,471
	562,703		23,359		-		525,660		253,817		5,141,038		19,608,651
	(252,791)		17,728		-		(85,423)		-		(253,994)		(1,647,513)
	-		-		-		-		-		(1,624)		485,344
	(252,791)		17,728		-		(85,423)		-		(255,618)		(1,162,169)
	155,876		45,462		319,603		622,113		-		1,250,812		3,637,224
\$	(96,915)	\$	63,190	\$	319,603	\$	536,690	\$	-	\$	995,194	\$	2,475,055

IOWA CENTRAL COMMUNITY COLLEGE

AGENCY FUNDS
SCHEDULE OF CHANGES IN DEPOSITS HELD IN CUSTODY FOR OTHERS
Year Ended June 30, 2016

	Athletics and Student Organizations	Federal Direct Student Loan Program
Balances beginning of year	\$ (86,124)	\$ -
Additions:		
Tuition and fees	58,561	-
Federal and state appropriations	-	17,094,832
Sales and services	354,597	-
Interest on investments	-	-
Miscellaneous	66,947	-
Total additions	480,105	17,094,832
Deductions:		
Salaries and benefits	498	-
Services	69,251	17,094,832
Materials and supplies	172,959	-
Travel	89,079	-
Scholarships	23,450	-
Miscellaneous	11,354	-
Total deductions	366,591	17,094,832
Transfers:		
Non-mandatory transfers	237,085	-
Balances end of year	\$ 264,475	\$ -

See accompanying Independent Auditor's Report.

Schedule 7

Miscellaneous		Total	
\$	446,846	\$	360,722
	3,550		62,111
	85,656		17,180,488
	171,864		526,461
	2,432		2,432
	13,747		80,694
	277,249		17,852,186
	-		498
	2,978		17,167,061
	172,614		345,573
	495		89,574
	-		23,450
	61,672		73,026
	237,759		17,699,182
	(248,758)		(11,673)
\$	237,578	\$	502,053

IOWA CENTRAL COMMUNITY COLLEGE

SCHEDULE OF CREDIT AND CONTACT HOURS *

Period Ended August 15, 2016 for Credit and August 31, 2016 for Non-Credit

Category	Credit Hours		Total
	Eligible for Aid	Not Eligible for Aid	
Arts and Sciences	79,996	-	79,996
Vocational Education	50,795	-	50,795
Adult Education/Continuing Education	-	-	-
	130,791	-	130,791

* The schedule of credit and contact hours is presented on an academic year basis rather than on the fiscal year in accordance with reporting requirements required by the Iowa Department of Education.

See accompanying Independent Auditor's Report.

Schedule 8

Contact Hours		
Eligible for Aid	Not Eligible for Aid	Total
1,587,999	-	1,587,999
1,216,092	-	1,216,092
320,470	165,335	485,805
3,124,561	165,335	3,289,896

IOWA CENTRAL COMMUNITY COLLEGE

SCHEDULE OF TAX AND INTERGOVERNMENTAL REVENUES
For the Last Ten Years

	2016	2015	2014	2013
Local (property tax)	\$ 6,193,931	\$ 6,518,778	\$ 6,309,581	\$ 5,647,340
State	15,751,285	15,790,624	15,205,498	12,558,759
Federal	11,691,978	13,461,596	13,063,176	13,262,726
Total	\$ 33,637,194	\$ 35,770,998	\$ 34,578,255	\$ 31,468,825

See accompanying Independent Auditor's Report.

Schedule 9

Year Ended June 30,

2012		2011		2010		2009		2008		2007	
\$	5,740,825	\$	6,138,495	\$	5,490,706	\$	5,818,758	\$	3,540,724	\$	3,557,131
	10,482,371		11,118,078		9,705,796		12,477,593		11,495,819		10,588,190
	13,708,947		14,886,911		13,289,803		8,358,649		6,249,882		5,588,092
<hr/>											
\$	29,932,143	\$	32,143,484	\$	28,486,305	\$	26,655,000	\$	21,286,425	\$	19,733,413
<hr/>											

IOWA CENTRAL COMMUNITY COLLEGE

SCHEDULE OF CURRENT FUND REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION

For the Last Ten Years

	2016	2015	2014	2013
Revenues:				
State appropriations	\$ 15,180,753	\$ 15,336,180	\$ 14,105,499	\$ 11,868,116
Tuition and fees	22,415,153	22,873,961	22,524,072	23,773,215
Property tax	3,374,607	3,758,608	3,623,819	2,946,266
Federal appropriations	11,691,978	13,461,596	13,063,176	13,262,726
Sales and services	814,194	962,129	518,801	558,397
Interest on investments	123,563	84,453	78,074	73,452
Iowa Industrial New Jobs Training Program	253,817	386,073	1,109,189	484,668
Auxiliary enterprises	17,299,778	17,417,490	16,089,916	15,224,153
Miscellaneous	348,604	749,628	348,322	418,760
Total	\$ 71,502,447	\$ 75,030,118	\$ 71,460,868	\$ 68,609,753
Expenditures:				
Liberal arts and sciences	\$ 8,517,433	\$ 9,096,736	\$ 9,220,044	\$ 9,406,584
Vocational technical	7,991,736	7,650,607	7,261,605	7,591,126
Adult education	3,444,414	3,162,936	2,670,432	2,509,545
Cooperative services	503,379	626,002	1,703,469	1,034,094
Administration	1,733,202	1,926,478	1,797,246	1,501,064
Student services	5,007,592	4,406,785	6,150,735	6,093,499
Learning resources	124,000	449,395	527,686	562,775
Physical plant	5,159,053	5,373,543	4,884,126	5,009,228
General institution	8,621,133	9,538,064	7,841,983	7,490,520
Auxiliary enterprises	15,833,927	15,560,159	12,272,079	12,577,310
Scholarships and grants	11,434,318	13,203,316	12,518,203	12,507,525
Workforce Investment Act	-	-	-	-
Total	\$ 68,370,187	\$ 70,994,021	\$ 66,847,608	\$ 66,283,270

See accompanying Independent Auditor's Report.

Schedule 10

Year Ended June 30,						
2012	2011	2010	2009	2008	2007	
\$ 10,427,406	\$ 10,363,645	\$ 9,596,735	\$ 11,564,261	\$ 11,165,271	\$ 10,369,493	
22,660,862	22,102,687	19,758,110	17,473,089	15,284,473	13,713,940	
3,098,839	3,540,602	3,002,851	3,385,350	2,480,517	2,507,291	
13,708,947	14,886,911	13,289,803	8,358,413	6,249,361	5,588,092	
918,308	1,251,525	1,112,727	1,523,171	1,330,600	1,680,551	
65,123	65,424	72,115	278,197	667,046	850,523	
763,740	908,341	979,649	1,910,326	2,124,379	2,073,371	
14,520,539	13,015,025	11,771,531	10,964,404	10,611,526	8,958,337	
262,903	160,997	154,113	183,978	185,340	170,645	
\$ 66,426,667	\$ 66,295,157	\$ 59,737,634	\$ 55,641,189	\$ 50,098,513	\$ 45,912,243	
\$ 8,601,990	\$ 8,496,731	\$ 7,574,233	\$ 7,029,027	\$ 6,458,272	\$ 5,485,941	
7,281,811	7,129,584	6,391,435	5,837,171	5,573,585	5,130,353	
2,358,489	2,417,605	2,312,987	2,631,646	2,592,335	2,600,410	
1,400,502	1,696,712	2,236,022	3,618,142	3,607,913	3,548,282	
1,663,080	1,428,079	1,554,076	1,243,654	1,273,628	1,472,722	
5,309,594	4,883,545	4,510,205	4,402,589	4,030,144	3,581,358	
579,986	571,816	443,646	293,612	270,819	300,293	
5,243,191	4,860,216	4,497,508	4,081,440	3,425,182	3,670,110	
7,959,589	8,912,742	8,300,325	7,813,078	6,828,116	6,195,145	
12,841,603	10,413,435	9,613,638	8,966,134	8,832,852	7,464,479	
12,011,007	12,173,416	9,533,501	6,297,795	5,196,211	4,153,217	
68,633	102,334	109,075	95,476	80,691	107,114	
\$ 65,319,475	\$ 63,086,215	\$ 57,076,651	\$ 52,309,764	\$ 48,169,748	\$ 43,709,424	

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2016

Grantor/Program	CFDA Number	Program Expenditures	New Loans and New Loan Guarantees
Direct:			
U.S. Department of Education:			
Student Financial Assistance Cluster:			
Federal Supplemental Educational			
Opportunity Grants (FSEOG)	84.007	\$ 192,958	\$ -
Federal Direct Student Loans	84.268	-	17,094,832
Federal Work-Study Program (FWS)	84.033	171,581	-
Federal Pell Grant Program	84.063	9,703,522	-
Total Student Financial Assistance Cluster		10,068,061	17,094,832
TRIO Student Support Services	84.042A	261,700	-
U.S. Department of Agriculture:			
Distance Learning and Telemedicine Grant RUS	10.855	30,894	-
Total Direct		10,360,655	17,094,832
Indirect:			
U.S. Department of Commerce:			
Indirect through Iowa State University:			
Manufacturing Extension Partnership - CIRAS	11.611	68,560	-
U.S. Department of Education:			
Indirect through the Iowa Department of Education:			
Adult Education - Basic Grants to States	84.002	185,481	-
Indirect through Hawkeye Community College:			
Trade Adjustment Assistance Community			
College and Career Training	17.282	387,620	-
Indirect through Des Moines Area CC (DMACC):			
Trade Adjustment Assistance Community			
College and Career Training	17.282	122,646	-
Career and Technical Education - Basic Grants to States:			
Title II-B Program Improvement	84.048	522,801	-
Indirect through the Iowa Department of Corrections:			
Title I Corrections	84.013	15,000	-
		1,233,548	-

(Continued on next page)

IOWA CENTRAL COMMUNITY COLLEGE

Schedule 11
(Continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2016

Grantor/Program	CFDA Number	Program Expenditures	New Loans and New Loan Guarantees
Indirect (Continued):			
U.S. Department of Labor:			
Indirect through Iowa Workforce Development:			
Sector Partnership NEG	17.277	\$ 58,259	\$ -
National Dislocated Worker Grant	17.277	24,771	-
		83,030	-
Total Indirect		1,385,138	-
Total		\$ 11,745,793	\$ 17,094,832

Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Iowa Central Community College under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Iowa Central Community College, it is not intended to and does not present the financial position, changes in financial position or cash flows of Iowa Central Community College.

Summary of Significant Accounting Policies – Expenditures reported in the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Iowa Central Community College has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

See accompanying Independent Auditor's Report.

IOWA CENTRAL COMMUNITY COLLEGE



SCHNURR & COMPANY, LLP
Certified Public Accountants and Consultants

**INDEPENDENT AUDITOR'S REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
Iowa Central Community College
Fort Dodge, Iowa

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Iowa Central Community College as of and for the year ended June 30, 2016, and the related Notes to Financial Statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 4, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Iowa Central Community College's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Iowa Central Community College's internal control. Accordingly, we do not express an opinion on the effectiveness of Iowa Central Community College's internal control.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of Iowa Central Community College's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We consider the deficiency described in Part II of the accompanying Schedule of Findings and Questioned Costs as item II-A-16 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Iowa Central Community College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about the College's operations for the year ended June 30, 2016 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the College. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Iowa Central Community College's Responses to Findings

Iowa Central Community College's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Iowa Central Community College's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing and not to provide an opinion on the effectiveness of the College's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Schnum & Company, LLP

Fort Dodge, Iowa
December 4, 2016



SCHNURR & COMPANY, LLP
Certified Public Accountants and Consultants

**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of
Iowa Central Community College
Fort Dodge, Iowa

Report on Compliance for Each Major Federal Program

We have audited Iowa Central Community College's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016. Iowa Central Community College's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grant agreements applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Iowa Central Community College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the audit requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Iowa Central Community College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Iowa Central Community College's compliance.

Opinion on Each Major Federal Program

In our opinion, Iowa Central Community College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

The management of Iowa Central Community College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Iowa Central Community College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the audit procedures appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Iowa Central Community College's internal control over compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility material non-compliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Schnur & Company, LLP

Fort Dodge, Iowa
December 4, 2016

**IOWA CENTRAL COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2016**

Part I: Summary of the Independent Auditor's Results

- (A) An unmodified opinion was issued on the financial statements.
- (B) A significant deficiency in internal control over financial reporting was disclosed by the audit of the financial statements.
- (C) The audit did not disclose any non-compliance that is material to the financial statements.
- (D) No significant deficiencies or material weaknesses in internal control over major programs were disclosed by the audit of the financial statements.
- (E) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (F) The audit disclosed no audit findings that were required to be reported in accordance with the Uniform Guidance, Section 200.515.
- (G) Major programs were as follows:
 - Student Financial Assistance – Cluster.
 - CFDA Number 84.007 – Federal Supplemental Educational Opportunity Grants
 - CFDA Number 84.033 – Federal Work-Study Program
 - CFDA Number 84.063 – Federal Pell Grant Program
 - CFDA Number 84.268 – Federal Direct Student Loans
- (H) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (I) Iowa Central Community College qualified as a low-risk auditee.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
YEAR ENDED JUNE 30, 2016

Part II: Findings Related to the Financial Statements:

INSTANCES OF NONCOMPLIANCE:

No matters were reported.

INTERNAL CONTROL DEFICIENCIES:

- II-A-16 Satellite Campus Receipt Controls - An important aspect of internal control is the segregation of duties among employees so that the activities of one employee act as a check on those of another. No employee should be responsible for an entire transaction cycle.

The Community College's satellite campuses collect receipts for tuition and fees, book sales and miscellaneous revenues. Due to the limited number of staff at each center, receipts may be collected, recorded and deposited by the same individual.

While it is recognized that many methods of achieving good internal control are not adaptable to a small staff, some degree of effective control may always be obtained by appropriate organization or strengthening supervisory control procedures.

Recommendation - The Community College should review procedures in an effort to improve supervisory control over satellite campus receipts.

Response - Every effort is made to maintain efficient controls and still be cost effective at the satellite centers. Since June, 1993, tuition and fees (representing the majority of the revenue collected at any satellite center) are determined at the Webster City Center by means of the on-line registration process tied to the Student Billing System on the mainframe computer at Fort Dodge. Since May, 1996, tuition and fees (representing the majority of the revenue collected at any satellite center) are determined at the Storm Lake Center by means of the on-line registration process tied to the Student Billing System on the mainframe computer at Fort Dodge.

Discussion and review of receipting procedures take place periodically with supervisory staff at the centers.

Conclusion - Response accepted.

Part III: Findings and Questioned Costs for Federal Awards:

INSTANCES OF NON-COMPLIANCE AND INTERNAL CONTROL DEFICIENCIES:

No matters were reported.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
YEAR ENDED JUNE 30, 2016

Part IV: Other Findings Related to Required Statutory Reporting:

- IV-A-16 Certified Budget - Expenditures for the year ended June 30, 2016 did not exceed the amounts budgeted.
- IV-B-16 Questionable Expenditures - No expenditures we believe did not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- IV-C-16 Travel Expense - No expenditures of Community College money for travel expenses of spouses of Community College officials or employees were noted. No travel advances to Community College officials or employees were noted.
- IV-D-16 Business Transactions - No business transactions between the Community College and Community College officials or employees were noted.
- IV-E-16 Bond Coverage - Surety bond coverage of Community College officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.
- IV-F-16 Board Minutes - No transactions were found that we believe should have been approved in the Board minutes but were not.
- IV-G-16 Publication - The Community College published a statement showing the receipts and disbursements of all funds, including the names of all persons, firms or corporations to which disbursements were made, as required by Section 260C.14(12) of the Code of Iowa.
- IV-H-16 Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the Community College's investment policy were noted.
- IV-I-16 Credit/Contact Hours - Eligible credit and contact hours reported to the Iowa Department of Education by the Community College for the period ended August 15, 2016 for credit and August 31, 2016 for non-credit were supported by detailed records maintained by the Community College.

